

**ALGER**  
Alger Management, Ltd.

# Alger SICAV - Alger Small Cap Focus Fund

1st Quarter 2018 As of March 31, 2018

## Investment Strategy

Primarily invests in a focused portfolio of approximately 50 holdings of small cap companies identified through our fundamental research as demonstrating promising growth potential.

## Portfolio Manager



**Amy Zhang, CFA**  
Senior Vice President  
Portfolio Manager  
23 Years Investment Experience

## Benchmark

Russell 2000 Growth

Class	ISIN	CUSIP
A EUH	LU1339879832	L0163W505
I EUH	LU1339880095	L0163W521
I3EUH	LU1732799579	L0168S178

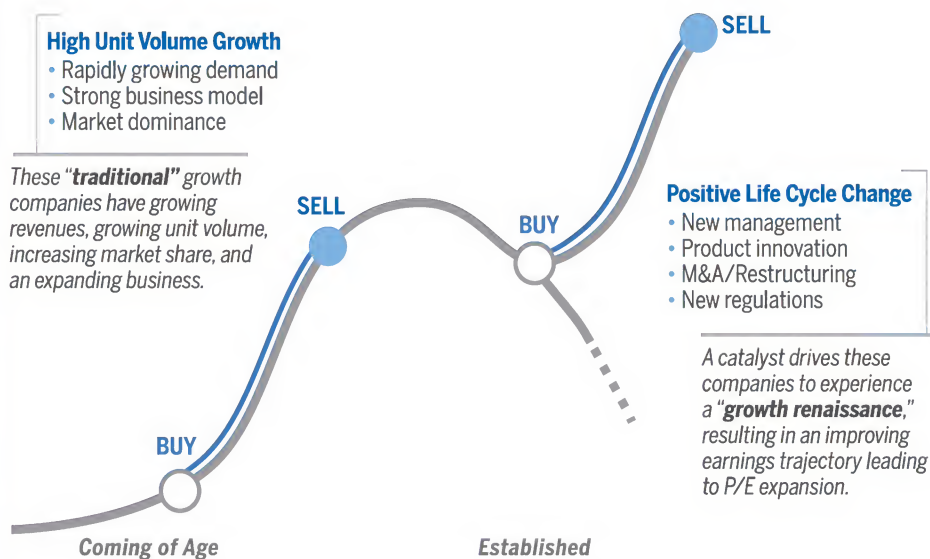
EUH: Euro Hedged

## Who We Are

Fred Alger Management, Inc. is widely recognized as a pioneer of growth-style investment management. We have been an independent, privately owned firm since our founding in 1964. For more than 50 years, we have had **three leaders with one vision**: Maintaining the legacy and continuity of the Alger Investment Philosophy.

## Philosophy

Alger has been committed to a growth style of investing since the firm was founded in 1964. We believe that the best way to uncover and evaluate such companies is through intensive, fundamental, proprietary investment research. At Alger, we believe companies undergoing **Positive Dynamic Change** offer the best investment opportunities. By Positive Dynamic Change, we mean those companies experiencing High Unit Volume Growth and Positive Life Cycle Change.



## NEW IDEAS

Identify exceptional small companies early in their corporate life cycle undergoing Positive Dynamic Change.

## ANALYSIS

Fundamental, bottom-up research incorporating quantitative and qualitative assessments to develop a differentiated view.

## DIALOGUE

Daily dialogue and weekly formal meetings to review portfolio, discuss in-progress research, and set future research priorities.

## CONSTRUCTION

Benchmark-agnostic, bottom-up stock selection of generally less than 50 names.

## MONITORING

Portfolio risk is mitigated by depth of research and the resulting knowledge and understanding of company-specific business risks.

## 1st Quarter 2018

## Average Annual Total Returns (%) (as of 3/31/18)

	QTR	YTD	1 Year	Since Inception
<b>Class A EUH</b> (Incepted 2/26/16)	5.94	5.94	22.11	26.15
<b>Class I EUH</b> (Incepted 2/26/16)	6.36	6.36	24.04	27.92
<b>Class I3EUH</b> (Incepted 3/21/18)	—	-2.79	—	-2.79
<b>Russell 2000 Growth Index</b>	2.30	2.30	18.63	(Since 02/26/2016) 23.85 (Since 03/21/2018) -3.50
<b>Total Annual Operating Expenses by Class</b> (KIID most recently dated 02/09/18) <div>             AEUH: 2.59%   IEUH: 1.10%   I3EUH: 1.15%           </div>				

Only periods greater than 12 months are annualized.

## Characteristics (as of 3/31/18)

	Alger Small Cap Focus Fund	Russell 2000 Growth Index
<b>Equity Holdings</b>	49	1188
<b>Active Share</b>	92.47	—
<b>Market Cap (Median—\$Bn)</b>	\$3.16	\$1.06
<b>Market Cap (Wtd Average—\$Bn)</b>	\$4.41	\$3.03
<b>P/E Ratio</b>	43.88	20.27
<b>EPS Growth (1 Yr Forecasted) (%)</b>	20.39	20.63
<b>EPS Growth (3-5 Yr Forecasted) (%)</b>	18.30	14.11

## Top Contributors &amp; Detractors (for QTR ended 3/31/18)

Contributors	Detractors
ABIOMED, Inc.	Universal Display Corporation
Veeva Systems Inc Class A	WageWorks, Inc.
Insulet Corporation	Vocera Communications, Inc.
Quidel Corporation	WisdomTree Investments, Inc.
Paycom Software, Inc.	Sun Hydraulics Corporation

## Contribution to Return and Attribution Analysis (%) (for the 1-Year Period ended 3/31/18)

	Alger Small Cap Focus Fund		Russell 2000 Growth		Attribution Analysis
	Average Weight	Contribution to Return	Average Weight	Contribution to Return	Total Effect
<b>Health Care</b>	39.96	13.11	23.61	6.40	3.62
<b>Information Technology</b>	38.80	12.31	24.80	5.90	3.31
<b>Consumer Discretionary</b>	3.01	1.49	13.98	1.75	2.01
<b>Industrials</b>	7.08	1.46	17.40	2.63	0.87
<b>Real Estate</b>	0.00	0.00	3.87	0.36	0.48
<b>Utilities</b>	0.00	0.00	0.74	0.04	0.14
<b>Materials</b>	1.95	0.04	4.77	0.54	0.07
<b>Telecommunication Services</b>	0.00	0.00	1.00	0.34	-0.11
<b>Financials</b>	4.66	0.45	5.95	0.85	-0.15
<b>Energy</b>	0.40	-0.73	1.18	-0.34	-0.16
<b>Consumer Staples</b>	0.85	-0.50	2.70	0.16	-0.22

## 1st Quarter 2018

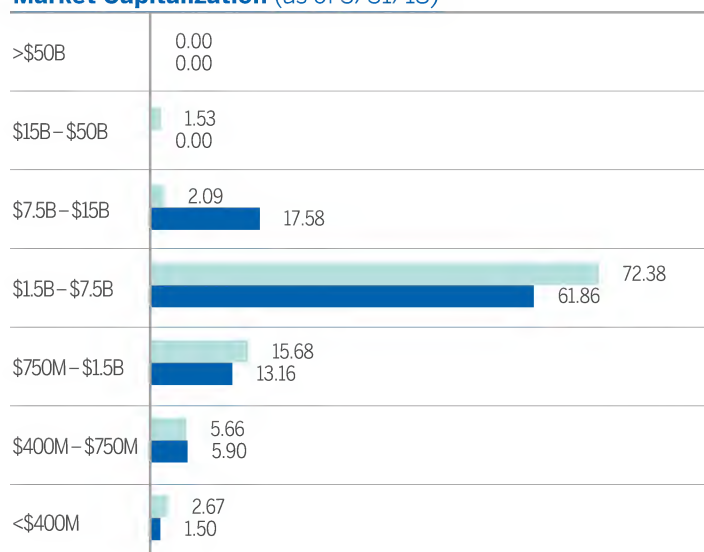
## Top 10 Holdings (%) (as of 3/31/18)

	Alger Small Cap Focus Fund	Russell 2000 Growth Index	Active Weight
Insulet Corporation	3.83	0.45	3.37
Quidel Corporation	3.77	0.13	3.64
Veeva Systems Inc Class A	3.75	0.00	3.75
ABIOMED, Inc.	3.27	0.00	3.27
OraSure Technologies, Inc.	2.86	0.08	2.78
Bio-Techne Corporation	2.85	0.00	2.85
Cantel Medical Corp.	2.66	0.36	2.30
Inogen, Inc.	2.51	0.19	2.32
Guidewire Software, Inc.	2.46	0.00	2.46
Tyler Technologies, Inc.	2.45	0.00	2.45
<b>Total</b>	<b>30.40</b>	<b>1.22</b>	<b>29.18</b>

## Top 10 Active Holdings (%) (as of 1/31/18)

	Alger Small Cap Focus Fund	Russell 2000 Growth Index	Active Weight
Veeva Systems Inc Class A	3.47	0.00	3.47
Insulet Corporation	3.70	0.39	3.30
ABIOMED, Inc.	3.20	0.00	3.20
Quidel Corporation	3.29	0.12	3.18
Cantel Medical Corp.	3.21	0.36	2.85
Tyler Technologies, Inc.	2.84	0.00	2.84
Stamps.com Inc.	3.00	0.30	2.70
Cognex Corporation	2.63	0.00	2.63
Guidewire Software, Inc.	2.53	0.00	2.53
Inogen, Inc.	2.56	0.18	2.37
<b>Total</b>	<b>30.42</b>	<b>1.34</b>	<b>29.07</b>

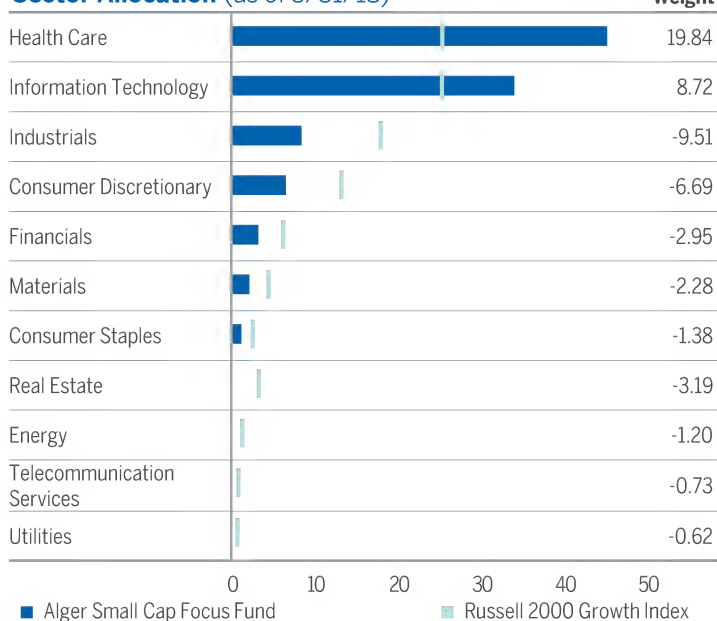
## Market Capitalization (as of 3/31/18)



■ Alger Small Cap Focus Fund

■ Russell 2000 Growth Index

## Sector Allocation (as of 3/31/18)



■ Alger Small Cap Focus Fund

■ Russell 2000 Growth Index



## 1st Quarter 2018

**Risk Disclosures** - Investing in the stock market involves gains and losses and may not be suitable for all investors. The value of an investment may move up or down, sometimes rapidly and unpredictably, and may be worth more or less than what you invested. Stocks tend to be more volatile than other investments such as bonds. Growth stocks tend to be more volatile than other stocks as the prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Investing in companies of small capitalizations involve the risk that such issuers may have limited product lines or financial resources, lack management depth, or have more limited liquidity. The Fund may have a more concentrated portfolio than other funds, so it may be more vulnerable to changes in the market value of a single issuer and may be more susceptible to risks associated with a single economic, political or regulatory occurrence than a fund that has a more diversified portfolio. Since the Fund concentrates its investments in the health sciences sector, the value of the Fund's shares may be more volatile than those that do not similarly concentrate their investments. Changes in applicable regulations could adversely affect companies in these industries, and the pace of product development and technological advancement in comparative companies may result in greater volatility of the price of securities of such companies. Many technology companies have limited operating histories and prices of these companies' securities have historically been more volatile than other securities due to increased competition, government regulation, and risk of obsolescence due to the progress of technological developments. The Fund may have a significant portion of its assets invested in securities of healthcare companies, which may be significantly affected by intense competition, aggressive pricing, government regulation, technological innovations, product obsolescence, patent considerations, product compatibility and consumer preferences, and may be more volatile than the securities of other companies. The cost of borrowing money to leverage may exceed the returns for the securities purchased or the securities purchased may actually go down in value more quickly than if the Fund had not borrowed. Foreign investing involves special risks including currency risk and risks related to political, social, or economic conditions. Sector allocations shown are exclusive of cash.

Active Share is a measure of the percentage of stock holdings in a portfolio that differs from the benchmark index. Equity Holdings for the referenced fund or composite represents individual securities held, where other securities including private placements, private equity, rights, warrants, options, other derivatives, cash or cash equivalents and securities where the total market value in the portfolio is less than one dollar are excluded from the count. A list of all holdings can be found at [www.alger.com](http://www.alger.com) for the applicable fund or composite. Performance characteristics are sourced from FactSet, an independent source which we believe to be reliable. Fred Alger Management, Inc., however, makes no representation that it is complete or accurate. The attribution analysis that is generated utilizing the application Factset is a process used to analyze the absolute return (often called contribution) and the excess return (often called relative return) between a composite and its benchmark. The Total Effect measures both the allocation effect to a sector as well as stock selection within a sector. Contribution to Return (CR) is an approximate measure of the contribution by an individual position to the overall portfolio return of the stated period. A daily contribution for each position is calculated by multiplying the position's daily ending position weight by its daily total return. The daily total return is determined by summing the end of day stock price and any dividends and dividing the result by the beginning stock price. These daily contributions are then geometrically linked to determine the CR for the entire stated period. Past performance does not guarantee future results. The Strategy's P/E Ratio and Market Caps (which is sourced from FactSet) are as of the current period. Figures for the P/E Ratios were calculated using a weighted harmonic average and EPS Growth rates were calculated using a weighted median. Please note that alternative methodologies exist for calculating P/E Ratios and EPS Growth, and utilizing another methodology might produce materially different results than those shown.

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